

Note for Information

Update on Contributions from Religious Congregations towards the costs of responding to Residential Institutional Child Abuse

20 July 2012

Summary This note provides an update on the position regarding contributions from Religious Congregations towards the costs of responding to Residential Institutional Child Abuse.

The current estimate of the cost of the State's response to residential institutional abuse is that it could reach €1,470m. Congregations have to date offered some €480m comprising cash and property under both the 2002 Indemnity Agreement and since the 2009 Ryan Report publication. This is €255m short of the 50% level (currently estimated at €735m), which the Government set as the objective. If the properties offered since 2009 were valued at today's market values at say 50% of the Congregations' 2009 valuations, then the shortfall would increase to some €380m.

2002 Indemnity Agreement

Cash The position in relation to the 2002 Indemnity Agreement cash offers is that a total of €54.4m was paid and counselling services to the value of €10m were reckoned as a contribution towards the costs of Redress.

Property Of the 64 original property offers under the 2002 Indemnity Agreement, 61 properties at a value of €63.4m have been accepted by the State, subject to good and marketable title being established. Cash has been received in lieu of the other 3 properties. 41 of the properties have now been transferred and, while the remaining 20 properties have transferred to State use, work on the confirmation of their legal title is continuing.

Post-2009 Offers

Cash The position in relation to post-2009 cash offers is that €21m of the €107m offered has been received, with a further €43.5m expected to be received on establishment of the Residential Institutional Statutory Fund or otherwise during 2012. The timing of most of the remaining €42.5m has to be confirmed, although the Christian Brothers who account for €20m suggest that it might be within a 10-15 year timeframe. In summary, while some Congregations have indicated that it will be difficult for them to meet their commitments or that there may be a delay in submitting their contribution, none has stated that it cannot fulfil its commitment.

Property Since the 2009 publication of the Ryan Report the Congregations have offered a further 100 properties to either the State, the proposed Statutory Fund or the community/voluntary sector. These properties were valued by the Congregations in 2009 at €235m. Of these, to date:

- the Government has accepted 12 properties valued by Congregations in 2009 at €60m and work is continuing on the confirmation of their suitability and title;
- the Department has asked the Sisters of Mercy to dispose of 17 properties at a value of €15.6m and remit the proceeds to the Statutory Fund or the National Children's Hospital, as appropriate;

- the Government has decided that only one of 15 Sisters of Mercy properties which the Congregation proposed to transfer to the Community and Voluntary sector is reckonable as a contribution to the costs of Redress;
- the Department of Education and Skills will be exploring whether local authorities would have an interest in obtaining some of the 5 Sisters of Mercy properties which the Department does not have a long-term interest in; and
- the Department of Education and Skills is exploring the potential use of 1 further Sisters of Mercy property which was not identified to be of immediate use;
- the Government rejected the offer of 1 property from the Daughters of Charity in lieu of cash;
- the Department is considering how to make progress in relation to 49 Christian Brothers playing fields associated with schools which have been licensed to the Edmund Rice Schools Trust (ERST).

Valuation

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The 50:50 Objective and Increasing Congregations' Contributions

Since 28 June 2011, when the Government noted the position in relation to this issue, the Minister for Education and Skills has engaged in a series of meetings and correspondence with the Congregations. The Minister requested that the Congregations increase their contributions in cash or property with a view to meeting the 50% objective and that they consider how the State might be given a long-term option over the ownership of their school infrastructure.

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The 2009 Independent Panel Report on the Congregations' assets concluded that the Congregations had total assets of over €4,000m and unrestricted assets of over €960 million, but when commitments and liabilities (including long-term commitments over 5, 10 years or longer) were taken into account this gave a 'Present liquidity' figure of €93 million.

It should be noted that the financial position of the Congregations will have deteriorated since the Independent Panel completed its report in 2009. Many Congregations have strongly pointed out that they are in a difficult financial position and that they have an increasing need to provide for their ageing members and, where relevant, to maintain services. In addition, the market value of the Congregations' property holdings is likely to have fallen very significantly – perhaps by up to 50%.

Transfer of School Infrastructure

In recent meetings and correspondence with the Congregations their views were also sought on a proposal that the State be provided with a long-term option over school infrastructure, which would not involve a change in patronage arrangements unless otherwise agreed.

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Health Infrastructure

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Conclusion In conclusion, the Department of Education & Skills will continue to engage with Congregations to increase their contributions of cash or property. DELETED